

DATE: February 5, 2002

TO: Natural Resources Board

FROM: Darrell Bazzell

SUBJECT: Status of Proposed Mercury Rules

At the June 2001 meeting of the Natural Resources Board, the Board authorized the proposed mercury emissions reduction rules for public hearing. The Board directed staff to also solicit public comment on several alternatives to significant rule provisions including the stringency of required mercury emission reductions, the nature and timing of periodic rule evaluations and requirements for new sources of mercury emissions. As I recommended at the June 2001 meeting, both a Citizens Advisory Committee and a Technical Advisory Group have been formed to review mercury control issues identified by public comments and recommend revisions to the proposed rules (see attachment 1).

Two public informational meetings were held in early September 2001 (a third was canceled on September 11) and five public hearings were held in late September and early October statewide. The Department received over 2,000 public comments from a wide spectrum of interested citizens, organizations, associations, electric utilities and businesses.

Staff will be meeting with Wisconsin Electric on February 25, 2002, to review the results of the recently completed mercury emission reduction project at their Pleasant Prairie Power Plant.

Below is a brief status report on our mercury rule development efforts. I will update you again after the Citizen Advisory Committee completes their evaluation. I have participated in one of the committee meetings and plan on attending others. I anticipate receiving their report by mid-April.

The committee is focusing their attention on the following concerns found in public comments on the proposed rules:

- The schedule and stringency of mercury emission reductions required of the four electric utilities (30% in 5 years, 50% in 10 years and 90% in 15 years).
- The impact on electric reliability, fuel mix and energy costs from a 90% mercury emission reduction requirement at 15 years.
- The requirement for new sources to offset increases in mercury emissions. This would include new electric utility boilers as well as any new industrial source that could annually emit 10 pounds of mercury or more.
- The requirement for major industrial sources of mercury emissions (10 pounds or more annually) to cap their emissions based on historical operations.
- The relationship between a Wisconsin regulation and pending federal regulations that will require mercury emission reductions from electric utility boilers and industrial boilers.

The Technical Advisory Group has held conference calls and met regularly since August 2001. This Group is developing a series of technical briefs and forwarding them to the Citizen Advisory Committee

to support their deliberations. The Citizen Advisory Committee has met regularly since October 2001 and have meetings scheduled through March 6, 2002.

Please contact Jon Heinrich at 608-267-7547 if you have any questions regarding this memo.

cc: Mercury Citizen Advisory Committee  
Mercury Technical Advisory Group  
Department Mercury Team